

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD

**Financial Statements for the
Years Ended May 31, 2014 and 2013 and
Independent Auditor's Report**

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD

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BOARD MEMBERS (2013-2014)

James P. Young, President

Calhoun D. Cunningham, III, MD, Secretary-Treasurer

Terri L. DeMaeyer

Raymond O. Dyer

Angela Goodrich

Scarlett Gibbs Hall

Mark O. Stuemke

BOARD ADMINISTRATOR

Catherine Jorgensen, Executive Secretary

LEGAL COUNSEL

North Carolina Department of Justice

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD

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NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Board's financial report represents Management's analysis of the Board's financial performance during the years ended May 31, 2014 and 2013. Please read it in conjunction with the financial statements which follow this section.

Financial Highlights

During 2014, the Board's net position increased by \$23,552, or 7.5%, due primarily to an increase in revenues. During 2013, the Board's net position decreased by \$5,407, or 1.7%, due primarily to a decrease in revenues.

During 2014, the operating revenues of the Board increased by \$33,459, or 25.2%, due primarily to an increase in application and examination fees revenue. During 2013, the operating revenues of the Board decreased by \$48,320, or 26.7%, due primarily to a decrease in renewal fees revenue.

During 2014, the non-operating revenues of the Board decreased by \$165, or 6.0%, due primarily to a decrease in cash on hand. During 2013, the non-operating revenues of the Board increased by \$54, or 2.0%, due primarily to an increase in cash on hand.

During 2014, the operating expenses of the Board increased by \$4,335, or 3.1%, due primarily to an increase in exam expenses. During 2013, the operating expenses of the Board increased by \$4,029, or 2.9%, due primarily to an increase in contractual consultant services.

Overview of the Financial Statements

This financial report consists of two sections: Management's Discussion and Analysis and the Financial Statements. The Board has no other supplementary information required by GASB 34. The Financial Statements also include notes to the financial statements that provide detail of the information included in the financial statements.

Basic Financial Statements

The financial statements of the Board report information about the Board using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the activities of the Board.

The Statements of Net Position present the current and long-term portions of assets and liabilities separately.

The Statements of Revenues, Expenses, and Changes in Net Position present information on how the Board's assets changed as a result of its operations.

The Statements of Cash Flows present information on how the Board's cash changed as a result of its financial activities.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Financial Information

The following presents condensed financial information on the operations of the Board:

	Current Year as of and for the year ended May 31, 2014	Current Year as of and for the year ended May 31, 2013
Current assets	\$ 212,428	\$ 214,887
Capital assets	2,927	2,049
Other assets	208,519	211,438
Total assets	<u>\$ 423,874</u>	<u>\$ 428,374</u>
Current liabilities	\$ 86,611	\$ 114,663
Total liabilities	<u>\$ 86,611</u>	<u>\$ 114,663</u>
Investment in capital assets	\$ 2,927	\$ 2,049
Unrestricted	334,336	311,662
Total net position	<u>\$ 337,263</u>	<u>\$ 313,711</u>
Operating revenues	\$ 166,419	\$ 132,960
Operating expenses	(145,448)	(141,113)
Operating income	20,971	(8,153)
Non-operating revenues	2,581	2,746
Change in net position	<u>\$ 23,552</u>	<u>\$ (5,407)</u>

Events Affecting Future Operations

The Board has no significant events affecting future operations which are reportable pursuant to GASB 34.

Contacting the Board's Management

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have any questions about this report or need additional information, contact: North Carolina State Hearing Aid Dealers and Fitters Board, PO Box 97833, Raleigh, NC 27624.

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
North Carolina State Hearing Aid Dealers and Fitters Board
Raleigh, North Carolina

Report on the Financial Statements

I have audited the accompanying financial statements and the related notes to the financial statements as listed in the table of contents of the North Carolina State Hearing Aid Dealers and Fitters Board (the "Board"), an independent state agency which is a nonmajor enterprise fund of the primary government of the State of North Carolina, as of May 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina State Hearing Aid Dealers and Fitters Board as of May 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the supplementary information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance thereon.



Shelton L. Hawley, C.P.A., P.A.

Angier, North Carolina

October 29, 2014

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
STATEMENTS OF NET POSITION
MAY 31, 2014 AND 2013

	May 31, 2014	May 31, 2013
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 211,522	\$ 214,081
Accounts receivable- licensees (fees in arrearage)	906	806
Total current assets	212,428	214,887
Capital assets (Note 1):		
Office equipment and software	2,927	2,049
Total capital assets - net of depreciation	2,927	2,049
Other assets:		
Investments (Note 2)	208,473	211,397
Accrued interest receivable (on investments)	46	41
Total other assets	208,519	211,438
TOTAL ASSETS	\$ 423,874	\$ 428,374
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable (including fee overpayments)	\$ 371	\$ 766
Due to other state agencies	6,240	18,447
Unearned revenue (Note 3)	80,000	95,450
Total current liabilities	86,611	114,663
TOTAL LIABILITIES	86,611	114,663
NET POSITION (NOTE 4)		
Investment in capital assets	2,927	2,049
Unrestricted net position	334,336	311,662
TOTAL NET POSITION	337,263	313,711
TOTAL LIABILITIES AND NET POSITION	\$ 423,874	\$ 428,374

See notes to financial statements.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED MAY 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
OPERATING REVENUES:		
Renewal fees	\$ 83,050	\$ 87,150
Application fees (including initial licensure fees)	33,200	16,300
Continuing education fee	12,670	13,095
Examination fees	31,500	11,900
Certificate fees	500	425
Late fees	400	1,300
Recovery of costs from licensee	3,648	
Miscellaneous operating income	<u>1,451</u>	<u>2,790</u>
Total operating revenues	\$ 166,419	\$ 132,960
OPERATING EXPENSES:		
Contractual management services (Note 5)	\$ 54,000	\$ 54,000
Board members expenses	7,233	7,763
Contractual investigation services	1,272	1,197
Contractual consultant services	1,750	4,930
Exam expenses	46,773	17,135
Depreciation expense	1,063	984
Telephone	2,315	2,615
Office supplies	632	653
Postage	770	691
Insurance and bonding	188	177
Printing and copying		153
Legal and audit fees	24,640	42,201
Website management expenses	3,449	6,876
Miscellaneous	<u>1,363</u>	<u>1,738</u>
Total operating expenses	<u>\$ 145,448</u>	<u>\$ 141,113</u>
Operating income (loss)	\$ 20,971	\$ (8,153)

See notes to financial statements.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED MAY 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest income	<u>2,581</u>	<u>2,746</u>
Total non-operating revenues	\$ 2,581	\$ 2,746
Change in net position	<u>\$ 23,552</u>	<u>\$ (5,407)</u>
Net position - beginning of year	<u>313,711</u>	<u>319,118</u>
Net position - end of year	<u><u>\$ 337,263</u></u>	<u><u>\$ 313,711</u></u>

See notes to financial statements.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31, 2014 AND 2013

	2014	2013
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
Cash flows from operating activities:		
Cash received from fees	\$ 145,725	\$ 147,820
Cash received from other operating revenues	5,144	2,781
Cash payments for operating expenses	(156,987)	(122,473)
Net cash provided (used) by operating activities	\$ (6,118)	\$ 28,128
Cash flows from capital and related financing activities:		
Acquisition of capital assets	\$ (1,941)	\$
Net cash provided (used) by capital and financing activities	\$ (1,941)	\$ 0
Cash flows from investing activities:		
Transfer from certificate(s) of deposit to operating account	\$ 4,457	\$
Transfer from operating account to certificate(s) of deposit	(1,533)	(1,736)
Interest earned	2,576	2,745
Net cash provided (used) by investing activities	\$ 5,500	\$ 1,009
Net increase (decrease) in cash	\$ (2,559)	\$ 29,137
Cash - beginning of year	214,081	184,944
Cash - end of year	\$ 211,522	\$ 214,081

See notes to financial statements.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31, 2014 AND 2013

	2014	2013
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
Reconciliation of operating income		
to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 20,971</u>	<u>\$ (8,153)</u>
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Changes in assets and liabilities:		
Depreciation	\$ 1,063	\$ 984
Other receivables	(100)	4,050
Accounts payable	(12,602)	14,297
Unearned revenue	<u>(15,450)</u>	<u>16,950</u>
Total adjustments	<u>\$ (27,089)</u>	<u>\$ 36,281</u>
Net cash provided (used) by operating activities	<u><u>\$ (6,118)</u></u>	<u><u>\$ 28,128</u></u>

See notes to financial statements.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2014 AND 2013

Note 1 - Nature of Activities and Significant Accounting Policies

Description of Organization

The North Carolina State Hearing Aid Dealers and Fitters Board (the "Board") is an independent State agency. It is an occupational licensing board and is authorized by Chapter 93D of the North Carolina General Statutes. The Board is composed of seven members who are appointed by the Governor of the State of North Carolina. It is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Comprehensive Annual Financial Report (CAFR).

The Board is established to maintain minimum standards for services provided by hearing aid dealers and fitters.

The Board's operations are financed with self-generated revenues from fees charged to examinees and licensees.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Reporting Entity

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The accompanying financial statements present all funds and activities for which the Board is responsible.

For financial reporting purposes, the Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Comprehensive Annual Financial Report (CAFR). These financial statements for the Board are separate and apart from those of the State of North Carolina and do not present the financial position of the State nor changes in the State's financial position and cash flows.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2014 AND 2013

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Basis of Accounting

In accordance with *Statement of Governmental Accounting Standards 34 (as amended, if applicable)*, the Board herewith presents Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. These statements reflect entity-wide operations of the Board. The Board has no fiduciary funds or component units.

The Statements of Revenues, Expenses, and Changes in Net Position demonstrate the degree to which the direct expenses of the Board are offset by examination and license fees.

The financial statements report all activities of the North Carolina State Hearing Aid Dealers and Fitters Board using the economic resource measurement focus and the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized when incurred, if measurable, regardless of the timing of cash flows.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Board. Operating revenues consist primarily of license fees. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Non-operating revenues and expenses consist of those revenues and expenses that are related to investing, capital, and non-capital financing activities; and are classified as non-operating in the financial statements.

Cash and Cash Equivalents

These classifications include undeposited receipts, petty cash, checking accounts and time deposits (excluding certain certificates of deposit, if any) held by the Board.

Investments

The Board is authorized to invest idle funds in accordance with North Carolina General Statutes. This classification consists of certain certificates of deposits held by the Board for investment. Investments generally are reported at fair market value. Certificates of deposit are reported at cost (which is the same as fair value) if purchased in the primary certificate of deposit market, and at fair value if purchased in the secondary certificate of deposit market (as determined by quoted market prices). The net increase (decrease) in the fair value of investments for certificates of deposit is recognized as a component of investment interest income.

Fair value of Financial Instruments

The carrying amounts of the Board's financial instruments approximate their fair value.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2014 AND 2013

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Capital Assets

Capital assets are stated at cost and are being depreciated over their useful lives on a straight-line basis. The Board capitalizes assets that have a value or cost of \$500 or greater at the date of acquisition and an estimated useful life of more than one year. Depreciation is computed using the straight-line method of deprecation over the estimated useful lives of the assets, generally estimated as follows: office furniture, equipment and specialized software, 5 years. Summaries follow:

	Cost 5-31-13	Acquisitions	Disposals	Cost 5-31-14	Accumulated Depreciation	Net Amount
Office equipment/software	\$ 4,929	\$ 1,941	\$ 0	\$ 6,870	\$ 3,943	\$ 2,927
	\$ 4,929	\$ 1,941	\$ 0	\$ 6,870	\$ 3,943	\$ 2,927

	Cost 5-31-12	Acquisitions	Disposals	Cost 5-31-13	Accumulated Depreciation	Net Amount
Office equipment/software	\$ 4,929	\$ 0	\$ 0	\$ 4,929	\$ 2,880	\$ 2,049
	\$ 4,929	\$ 0	\$ 0	\$ 4,929	\$ 2,880	\$ 2,049

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in earnings for the period. Depreciation expense was \$1,063 for the fiscal year ended May 31, 2014 and \$984 for the fiscal year ended May 31, 2013.

Income Taxes

The Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is exempt from federal and state income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2014 AND 2013

Note 2 - Deposits and Investments

Deposits

All of the Board's deposits which are uninsured are uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)] by the financial institution holding said deposits. For deposits, custodial credit risk is the risk that in the event of the failure of the depository (or counterparty), the Board will not be able to recover the value of its deposits that are in the possession of the outside party. The Board does not have policies regarding custodial credit risk for deposits.

At May 31, 2014, the Board's deposits had a carrying amount of \$419,995 and a bank balance of \$437,800. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$187,800 was uninsured and uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)]. Certificates of deposit in the amount of \$208,473 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Position. At May 31, 2013, the Board's deposits had a carrying amount of \$425,478 and a bank balance of \$453,780. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$203,780 was uninsured and uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)]. Certificates of deposit in the amount of \$211,397 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Position.

Investments

At May 31, 2014 and 2013, the Board had the following investments and maturities.

Investment Type	May 31, 2014		May 31, 2013	
	Fair Value	Over 12 Months	Fair Value	Over 12 Months
Certificate of Deposit	\$ 107,838	\$ 107,838	\$ 106,951	\$ 106,951
Certificate of Deposit	100,635	100,635	104,446	104,446
Total	\$ 208,473	\$ 208,473	\$ 211,397	\$ 211,397

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2014 AND 2013

Note 2 - Deposits and Investments (Continued)

Risk Disclosures for Investments

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Board limits its investment in certificates of deposits to maturities of no more than 30 months.

Credit risk - State law limits the investments of the Board to certain types of investments. The Board's present policy for managing credit risk is to limit its investments to certificates of deposits.

Custodial credit risk - For an investment, custodial credit risk is the risk that in the event of the failure of the depository (or counterparty), the Board will not be able to recover the value of its investments that are in the possession of the outside party. The Board does not have policies regarding custodial credit risk for investments.

Concentration of credit risk - During the year under audit, the Board placed no limit on the amount that it invested in any one issuer, however Board management has attempted to maximize FDIC coverage by depositing its certificates of deposit with various financial institutions through the securities division of its financial institution.

Reconciliation of Deposits and Investments

A reconciliation of deposits and investments for the Board to the basic financial statements at May 31, 2014 and 2013, is as follows:

	<u>May 31, 2014</u>	<u>May 31, 2013</u>
Carrying Amount of Bank Deposits	\$ 211,522	\$ 214,081
Certificates of Deposits	208,473	211,397
Total Deposits and Investments	<u>\$ 419,995</u>	<u>\$ 425,478</u>
Current:		
Cash and Cash Equivalents	\$ 211,522	\$ 214,081
Noncurrent:		
Investments	208,473	211,397
Total Deposits and Investments	<u>\$ 419,995</u>	<u>\$ 425,478</u>

Note 3 - Unearned Revenue

The Board's fees are assessed and collected on an annual basis for the period April 1 through March 31, which does not correspond with the Board's accounting period. License renewal fees received in the latter part of the fiscal year are deferred and recognized as revenue over the one year period to which they relate.

NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2014 AND 2013

Note 4 - Net Position

Investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any loan proceeds (if any) that are attributable to the acquisition, construction, or improvement of those capital assets.

Restricted net position - expendable - This component of net position consists of net position which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external parties. The Board had no restricted net position.

Unrestricted net position - This component of net position consists of net position that does not meet the definition of *restricted or investment in capital assets*.

Note 5 - Contractual Management Services

The Board does not have any employees. The Board contracts with a management consultant service to provide services for the Board. The contract includes all services related to the process of licensure application and renewal and various other secretarial duties. The Board also reimburses the management service for printing, postage, copying and miscellaneous office expenses. Payments to the management service totaled \$67,790 during the fiscal year ended May 31, 2014 and \$61,025 during the fiscal year ended May 31, 2013.

Note 6 - Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled by participation in certain state-administered risk programs and self retention of certain risks. Additionally, the Board has limited protection from exposure to loss through the purchase of certain commercial insurance coverage.

Note 7 - Contingencies

The Board is involved in occasional disciplinary hearings throughout the year which arise in the ordinary course of its operations. In the opinion of management of the Board, the results of such actions during the years under audit do not materially affect the Board's operations, changes in financial position, or cash flows for the years herein ended.

Note 8 - Subsequent Events

Subsequent events have been evaluated through October 29, 2014, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

This audit required 51 audit hours at a cost of \$4,995.